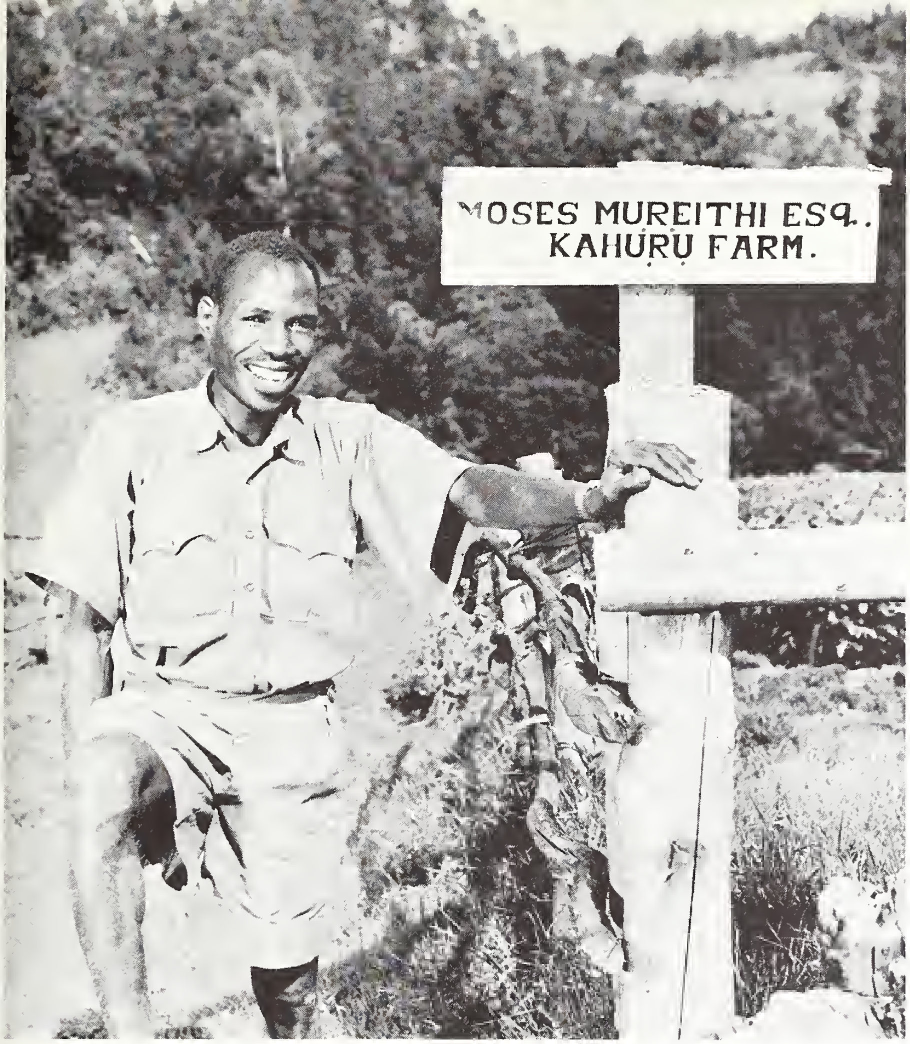
DECEMBER 9, 1963



UHURU FOR KENYA
AND ZANZIBAR

CONFUSING TERMS
IN FARM TRADE

FOREIGN MARKET
FOR LIVESTOCK

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

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Owner of tea plantation in Kenya poses for photographer before signpost. In recent years tea has become an important cash crop for African farmers.

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It's "Uhuru" for Zanzibar and Kenya

This week these two countries achieve their independence, raising to 35 the number of African nations that have gained sovereignty.

By CAREY B. SINGLETON, JR.
Regional Analysis Division
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On December 10, Zanzibar, a British Protectorate governed by an Arab sultan, will gain its independence—or *uhuru,* as the Swahili-speaking peoples of East Africa call it. Two days later, on December 12, its neighbor, Kenya, will also become a sovereign nation. Together the two countries will add about 226,000 square miles to the world's community of free nations and could bring the United Nations total of sovereign countries to 113.

Of the two, Zanzibar is by far the smaller. Situated in the Indian Ocean about 25 miles off the eastern coast of Africa, it consists of Zanzibar Island itself, which is 640 square miles in size; Pemba Island, which is 380 square miles; and a cluster of lesser dots in the ocean. With a total land area of 1,020 square miles it is about the size of Rhode Island.

Zanzibar is straight out of the Arabian Nights, and is, perhaps, the last fragment of the Arab empire that in the days of clipper ships covered the coastal area of East Africa. It is a land of white beaches, towering coconut palms, and monsoonal winds. It is also the clove center of the world.

Historic clove trade

For over 200 years Zanzibar has traded in cloves. Originally the trees grew only in the East Indies; then in the early 1800's, some were smuggled to Zanzibar. By mid-century the industry was on a firm footing, and ever since Zanzibar's prosperity has depended largely on the world market demand for cloves. Four-fifths of its exports consist of cloves and clove oil, and most of the remainder of coconut products.

Last year the country's agricultural exports totaled $16 million. Indonesia was the major customer, taking about half of Zanzibar's total shipments. Cloves were the biggest item since Indonesians mix cloves with tobacco in manufacturing cigarettes. India ranked second, with 12 percent, and the United States and United Kingdom tied for third place, with 6 percent. The United States is Zanzibar's major market for clove oil; in 1962, it bought 63 percent of its oil shipments, valued at around $250,000.

Although Zanzibar normally has a favorable balance of trade, for the last 2 years its imports have exceeded its exports. In 1962 they totaled approximately $18 million for both agricultural and nonagricultural products. The chief suppliers were the United Kingdom, 23 percent, followed by Tanganyika, Mozambique, Japan, Pakistan, and India. Imports from the United States were small, representing only $250,000, or 1.7 percent of total imports.

Two-fifths of what Zanzibar spends on imports goes for foodstuffs. Rice is the major commodity imported and, depending on the amount of local production, varies from 5,000 to 12,000 tons a year; Pakistan, Burma, Thailand, and Tanganyika are the leading suppliers. Sugar and wheat flour are also important agricultural imports—about

Agricultural show, Kapsabet, Kenya

Left, picking pyrethrum and, above, drying the blossoms. Kenya is world's largest producer of this insecticide.

7,000 tons of each annually. Fats and oils, wheat meal, corn flour, and vegetables are purchased abroad too.

To reduce these foreign purchases, Zanzibar's long-term agricultural policy stresses diversification of food crops, improved agricultural trading, research, and extension work. At the same time, it emphasizes expansion of its two big export crops—cloves and coconut products.

Problems of independence

How soon these goals will be obtained is a question. With independence, Zanzibar must face some difficult financial problems. It is not expected that in the future the United Kingdom will be anxious to underwrite the government's budget deficit. Furthermore, indications are that the government's revenue—for the time being, anyway—will remain stationary while the demand for services, particularly for education, will increase rapidly. Prospects for raising additional revenue locally are poor; however, it is quite possible that newly-independent Zanzibar will look for development capital from foreign countries.

Zanzibar must also face the matter of political alignment—in this case, with the much-talked-of East African Federation that would include the East African countries of Kenya, Tanganyika, and Uganda. Until the political course on the East African mainland becomes clear, Zanzibar may remain aloof politically and economically. There are, of course, long-term economic advantages to be gained by joining such a federation, but in the short run becoming a member of an East African common market could raise Zanzibar's cost of living substantially and reduce government customs revenue.

Barring close economic association with the mainland in the near future, the major factors on Zanzibar's economic horizon are:

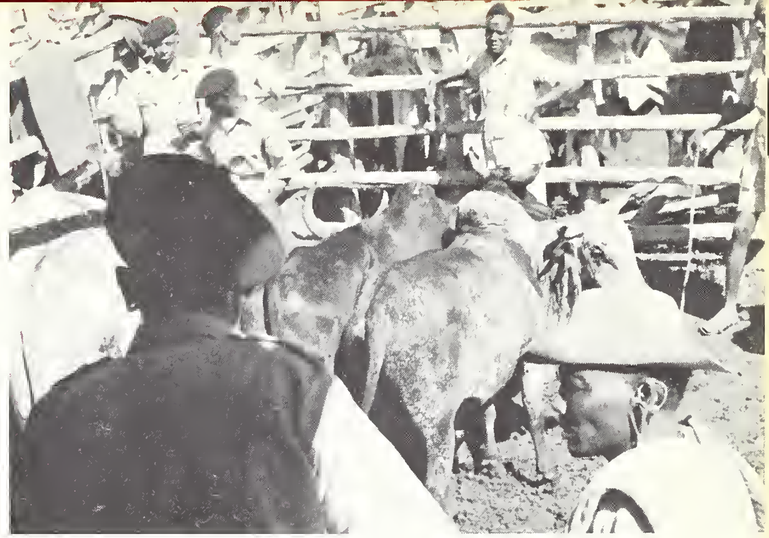
- A population explosion caused by the eradication of malaria. Previously the rate of increase was slightly over 1 percent a year; today it is about 3 percent, a rate that would lead to a doubling of population by 1990.
- Although Zanzibar's per capita income compared to those in neighboring East African countries is relatively high ($90 a year), its net capital outlay on investment is only about 1 percent, which tends to discourage economic growth. The country's gross national product is currently $31 million.
- Expansion of the country's agriculture and diversification of its crops, already mentioned. There is also scope for a small-scale fisheries industry.

Kenya—land of big game

In contrast to Zanzibar is Kenya, economically one of the most developed countries of Africa, with a land area of 225,000 square miles, or slightly less than the size of Texas. It is a country of high mountain peaks that rise snow-capped out of the Equator; a country of big game which makes it the safari center of the world; yet it has an agriculture that is widely diversified, ranging from tropical to temperate zone products.

Kenya is bounded on the east by the Indian Ocean and Somalia, on the north by Ethiopia and Sudan, on the west by Uganda, and on the south by Tanganyika. Its population is estimated at 8.9 million. Europeans number about 50,000 and are engaged in farming, public services, commerce, and industry. The 150,000 Asians are employed mainly in marketing and allied fields, sugar production, and transportation. The African population, for the most part, practices subsistence farming, generally in tribal communal areas.

Kenya's historical background is one of foreign contacts that date back to the ancient Greek mariners. After the Greeks came the Arab trading caravans and slave raiders, and even to this day, a sizable Arab community exists in Kenya. The Arabs were followed 7 centuries later by the Portuguese who founded trading posts on the coastal area, and in the 19th century by British entrepreneurs attracted by the area's ivory and cloves. But until East Africa was partitioned among the European powers, most of the coastal territory was under the rule of the Sultan of Zanzibar, with the main ports run by British and Indian merchants.



Above left, tea leaves are weighed at Kenya factory; above right, native cattle at market. Right, Zanzibar's big crop is cloves, here drying in sun.

Concession to British

A series of international frontier agreements concluded between 1886 and 1893 fixed the boundaries of the respective spheres of influence of Germany, Italy, and Great Britain. In 1887, the Sultan of Zanzibar granted to what later became the British East African Company, a 50-year concession covering his mainland possessions not falling within the German sphere. Seven years later the British Government purchased the Company's rights, appointed a commissioner to the territory, and designated it the East African Protectorate.

Kenya's economy developed slowly; then in 1901 it was stimulated by the completion of the railroad from the coast to Lake Victoria. When it was found that the land traversed by the railroad was suitable for agriculture, hundreds of settlers arrived from Great Britain and South Africa to establish homesteads on the fertile uplands. In 1907 a nominated legislative council was established, and in 1919 the selection of most of its members was placed on an elective basis. A year later the name was changed to Kenya Crown Colony and Protectorate.

For nearly 8 years, from 1952 to 1960, Kenya was in a state of emergency arising from the bloody and costly Mau Mau rebellion. Today Kenya is still the bubbling political cauldron of East Africa. But Kenya's Prime Minister, Jomo "Burning Spear" Kenyatta, though associated with the Mau Mau rebellion, just this past summer told 500 European farmers that he and his government wanted them to stay in Kenya, and that no one who worked his land would be dispossessed. Thus, it is hopeful that Kenya will prove to be a successful African interracial state.

Kenya's economy

Kenya is the manufacturing and business center of East Africa, and over 13 percent of its national income is derived from industry, despite its lack of large primary power resources. (Power is now supplied from Owens Falls in Uganda.) Kenya also obtains substantial income from the tourist trade and from the services it performs for Uganda and Tanganyika. Nevertheless, its economy is basically agricultural, in that agriculture accounts for 40 to 45 percent of the country's gross national product. In 1961, the latest year for which figures are available, the GNP stood at $630 million.

Agriculture in 1961 contributed over 70 percent of the country's export earnings. Coffee, tea, sisal, and pyrethrum were the leading products exported, representing about 40 percent of the total value that year; and about 75 percent of these came from European farms. It is believed though that this proportion is decreasing.

The value of Kenya's agricultural exports in 1961 totaled around $100 million. The United Kingdom was the largest customer (16 percent), followed by West Germany, Uganda, Tanganyika, and the United States. The U.S. share was 9.8 percent; however, this country ranked as Kenya's second best customer for its coffee and tea and

the leading buyer of its pyrethrum. Usually, the United States buys around $10 million worth of Kenya's agricultural commodities annually.

Kenya's agricultural imports in 1961 amounted to slightly over $34 million, and came mainly from Tanganyika, Uganda, and Zanzibar. Products bought included grains (mostly corn), sugar, vegetable oils, and tobacco.

Kenya's agricultural policy is to increase production in order to maintain a high degree of self-sufficiency in food and to obtain the maximum amount of foreign exchange to be used in the economic development of the country. Measures to achieve these objectives include technical and financial assistance to agriculture, price supports on some food crops, and restrictions on imports.

Agriculture controlled

Besides being a member of the East African Common Market and a part of the Sterling Area, Kenya is also a member of the International Coffee Agreement (ICA). To help gear its future coffee production to world sales possibilities under the ICA, Kenya's Government recently placed a ban on new coffee-tree plantings, to become effective January 1, 1964. Kenya's current ICA quota is 30,100 tons; and while there is no coffee surplus this year in Kenya, with the plantings already made the country's production is forecast to rise to 70,000 tons within the next 5 years, or about double the present volume.

The marketing and processing of coffee, tea, and pyrethrum are controlled principally by cooperatives, quasi-public boards, and producer trade organizations. Commercial purchase, slaughter, and processing of sheep, cattle, and goats for domestic consumption as well as for the export market are handled by the Kenya Meat Commission, mainly through its Athi River slaughter and canning plant. The actual purchase, grading, and delivery of the African-raised livestock to the Commission's plant is done by the African Livestock Marketing Organization. Pork products come under the Pig Industry Board which licenses producers.

Kenya has had considerable help in the past in resolving its agricultural and economic problems, and there is no indication that this will not continue. The Swynnerton Plan, started in 1954, has for its goal the intensifying of African agriculture and the setting-up of individual land ownership. It has been instrumental in bringing about increased production of cash crops (particularly coffee) by African farmers and has raised the efficiency of African farming. Under its guidance, fragmented African holdings have been consolidated into family units, water and land conservation programs have been established, and large-scale agricultural cooperatives developed. Roads have also been built.

Kenya's Ministry of Land Settlement and Development has also instituted and put into operation a resettlement scheme directed toward the systematic purchase, development, and settlement of former European-owned farms by African farmers. This scheme involves over 1 million acres and will affect about 70,000 Africans.

As for the country's overall economy, the International Bank for Reconstruction and Development has suggested a 4-year development plan covering the fiscal years from 1963 through 1967. This calls for expenditures of around $157 million, with the financing largely from external sources. A good share of this money naturally will go for agriculture: livestock, irrigation, road improvement, and expansion of technical education in agriculture.

Federation the big question

Currently, Kenya and Zanzibar as well as Tanganyika and Uganda are facing the question of whether to federate or not. Several months ago the outlook for such a federation was not favorable. Today, all four countries seem to regard it as a possibility and are planning to come to grips with the question as soon as Kenya's independence is absolute. Much depends, of course, on the political situation prevailing in Kenya after December 12.

An East African Federation would not change the trading pattern that already exists under the East African Services Administration, a loose "common market" arrangement which links the three mainland countries through certain centrally controlled services and guaranteed markets for their products. But since Kenya would undoubtedly be the administrative center of the Federation, Uganda appears to be holding back lest its own political structure be lessened. Zanzibar also is still a little cool toward federation. At the same time, political leaders in all the countries recognize that federation carefully spelled out implies stability, and stability in turn leads to foreign investment, much needed if these new countries are to assume their proper place in the economic world of today.

EEC Acts on Sugar and Pork Imports

Recent actions by EEC countries affecting tariffs on sugar and import levies on pork should enable other countries to increase exports to that area.

The EEC has decided to suspend the Common External Tariff on cane and beet sugar until March 31, 1964. This action, proposed by Italy, was taken at the mid-November meeting of the Joint Council Session of EEC Foreign and Agriculture Ministers. It was originally planned that the Common External Tariff would amount to 80 percent ad valorem at the end of the transition period in 1970.

Because of pork shortages, two EEC countries—France and the Netherlands—have substantially reduced variable import levies on this product. In Paris, prices of fresh pork halves have increased about 30 percent since January, and in mid-November, they averaged 44 cents per pound.

This reduction in import levies may make it possible for the United States to export pork carcasses and cuts to the EEC for the first time in recent years. U.S. pork will bring lower prices in Europe than fresh pork from local slaughter, however, because of consumer preference for the fresh meat. The ocean freight from the United States to Western Europe on pork carcasses is about 6.5 cents per pound; for boxed frozen products, it is about 3 cents per pound.

Those Confusing Agricultural Trade Terms

This fall, the Foreign Agricultural Service issued a publication designed to ease the task of people who must read or write extensively in the complex field of foreign trade. **Terms Used in International Agricultural Trade,** *FAS-M-152, compiled by Harry W. Henderson of FAS, is an alphabetical listing, with definitions, of some 400 general terms commonly and currently employed. Mentioned in the article that follows are a few of those most frequently misused or confused.*

Hundreds of terms are used in carrying on international agricultural trade. The list continues to grow as trade increases and interest in it expands.

Unfortunately, many expressions in common use have meaning only to the initiated. Especially obscure are those which come to us from foreign sources. But even English-language terms can cause trouble. Many are used erroneously or imprecisely. A few verge on jargon.

"Bindings" and "skimmings" fall into the jargon category. A "binding" is a duty rate guaranteed against increase during the life of a trade agreement. "Skimmings" are variable import charges, such as those imposed by the European Economic Community on wheat. Because they make imported wheat costlier for users, the import charges "skim off" the difference between world prices and relatively higher EEC prices.

One of the more obscure foreign words is écretement, which will be heard frequently during the negotiations due to begin in May 1964 under the General Agreement on Tariffs and Trade (GATT). A French word, which means "removal of the crest," it was first used in a trade sense at a recent GATT meeting at which the United States proposed uniform or "linear" cuts of 50 percent on broad categories of goods. France argued that as a prior condition for linear cuts, the United States should first reduce relatively high tariffs on certain industrial items—that is, practice écretement. A compromise was found, interested parties agreeing that "Tariff negotiations shall be based upon a plan of substantial linear tariff reductions with a bare minimum of exceptions. . . . In those cases where there are significant disparities in tariff levels, the tariff reductions will be based upon special rules of general and automatic application."

Identical or not

Confusion often arises when several trade terms have identical meanings. "Sluice gate price," "lockgate price," "gate price," and "minimum import price" all refer to a minimum price which an importing country requires to be charged for an imported commodity. The country usually sets the minimum import price at a level approaching the price at which the country's own producers must sell the product. The idea is to keep any outside producers who can produce at lower costs from gaining a competitive advantage.

And some terms may be used as though they have identical meanings when actually they don't. "Commodity agreement" and "commodity arrangement" are examples. An international commodity agreement usually refers to formalized intergovernmental understandings, such as the agreements in effect for wheat, sugar, coffee, and olive oil. "Arrangement" is a less rigid word often used instead of "agreement" to cover not only international commodity agreements but less formalized understandings, such as the cotton textile arrangements.

Some terms are just used erroneously. "Counterpart funds" is often used in referring to "foreign currencies" generated from sales of U.S. surplus farm products under Title I, Public Law 480, when actually there is no connection between the two. Counterpart funds are the sums, in local currencies, which European nations participating in the post-World War II European Recovery Program—"Marshall Plan"—were required to set aside to offset internally the grants of dollars made by the United States under the program. Subsequently, the equivalent of three-fourths of the dollar value of the U.S. grants was released to the countries for internal investment in public works or for other approved purposes.

"Foreign currency sales" is used frequently in connection with operations under Title I, Public Law 480, which authorizes sales of surplus U.S. farm products for the currency of the purchasing country. Title I also spells out uses to which the foreign currencies may be put, such as these: To help develop new markets for U.S. farm products; to obtain military equipment, materials, facilities, and services; to finance the purchase of goods or services for other friendly countries; to promote the economic development and trade of underdeveloped countries; to pay U.S. obligations abroad; and to finance educational exchange activities.

Misused and confused

"Protection" and "protectionism" are often confused. Protection is used by all countries to keep foreign competition from unduly diminishing farmers' opportunities to sell in domestic markets. For example, the United States has established tariffs for imported farm commodities which compete with American agriculture—but at rates of duty which average a moderate 10 percent ad valorem, the lowest for any major agricultural country in the world. Protectionism implies excessive protection, or overprotection, of agriculture. Some countries virtually insulate their producers from foreign competition, at the same time fostering uneconomic domestic output.

Also misused are "balance of payments" and "balance of trade." "Balance of payments" is an accounting statement setting forth economic transactions involving exchange of goods, services, gold, and capital claims between a country and foreign countries. The United States, for example, pays other countries for merchandise imported and services provided, such as shipping, insurance, and accommodations for tourists abroad. The United States

makes other outlays to foreign countries for economic and military assistance; for investment; and for private remittances, pensions, and other transfers. The United States, on the other hand, receives funds from foreign countries mainly in payment for merchandise exports and services, mutual defense, investment, and repayments on U.S. Government loans.

"Balance of trade" is generally regarded as the difference in value between a country's commodity imports and exports over a specified period. A country's balance of trade, therefore, is only one factor in its balance of payments situation, though usually an important one. In recent years the United States has had big balance of payments deficits, even though the value of our commodity exports has substantially exceeded the value of our imports.

Terms not really interchangeable

"Credit sales" by the U.S. Government may be short-term or long-term—and there is a big difference between the two. Under the short-term program, importers in certain countries may purchase U.S. Government-owned farm products through U.S. exporters, with payment in dollars deferred for most commodities for periods up to 36 months. Eligible commodities are those shown on the Commodity Credit Corporation's Monthly Sales List as well as tobacco under loan to CCC. Interest is charged at the rate announced each month by CCC and runs for the length of the deferred payment period. Under the long-term program, credit is extended for up to 20 years on sales of surplus farm products, not only to friendly foreign governments, but also to individuals, commercial firms, agricultural cooperatives, or other organizations of the United States or friendly foreign countries. Interest is charged for the length of the deferred payment period. Both principal and interest on the due date are payable in U.S. dollars. Note: Both are "dollar" programs, but only the short-term program is called a "cash" program.

"Tariff," "levy," and "duty" are often used interchangeably to mean a duty assessed by a country on an imported product. "Tariff" more properly is used in the sense of a schedule of merchandise articles setting forth rates of duty to be paid on each item. It also may be used to mean the law in which a schedule of duties is fixed and imposed. "Levy," used as a verb, means to assess or impose a duty. "Duty," of course, is the amount levied in accordance with the rates in the tariff schedule.

"Fixed duty" is used loosely to describe definite, negotiatable ad valorem tariff rates and specific duties such as are set forth in the Tariff Schedules of the United States, as contrasted with variable import charges. "Fixed duty" should be used cautiously. Strictly speaking, only the specific duties listed in the tariff schedules are "fixed." Duties based on ad valorem rates vary in accordance with the value of the imported items.

Letters of the alphabet can be important in price quotations. The meaning of the letters C, E, F, and I depends upon their placement. Variations include c.i.f. (cost, insurance, and freight), c. & f. (cost and freight), c.f.i. (cost, freight, and insurance), c.i.f.c.&i. (cost, insurance, freight, commission, and interest), and c.i.f.i.&e. (cost, insurance, freight, interest, and exchange).

Cost, insurance, and freight, used for both domestic and export sales, generally means that the quoted price includes the cost of the goods, the freight charges to a named destination, and the insurance charges on the shipment. Under such terms, the seller is responsible for arranging for the transportation of the goods to the named point, for paying the freight charges, and for either insuring the shipment or assuming responsibility for any loss or damage during shipment. The buyer is responsible only for the local delivery of the goods and import duties. The same general principle holds when the price quotation includes other charges.

Political and geographical groupings—for example the Communist countries—present another vexing problem in terminology. Strictly speaking, there is no longer a "Sino-Soviet Bloc." An ideological split has almost destroyed bloc solidarity.

At one time the Sino-Soviet Bloc included the Soviet Union, Communist China, Poland, Eastern Germany, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, North Korea, North Vietnam, and Outer Mongolia. But now, Communist China, North Korea, North Vietnam, and Albania profess to follow a brand of communism sharply different from that of other Bloc members. The rift seems to be deep.

Yugoslavia, although a Communist country, approaches Communism differently than either the Soviet Union or Communist China. Cuba, a Communist country, maintains relationships with both the Sino and Soviet camps.

Although the Soviet Union has physical control of the Baltic States—Latvia, Lithuania, and Estonia—the United States does not recognize their forcible annexation. The United States continues to maintain diplomatic and consular relations with representatives of the last free governments of these countries.

Geographic gobbledygook

Hardly anybody could be blamed for misusing the expression "Middle East"—it means all things to all people. This area also is referred to as Mid East, Near East, West Asia, and Western Asia.

The U.S. Department of Agriculture considers that the Middle East includes Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Syria, Turkey, and the Arabian Peninsula.

The National Geographic Society refers to the area as the "Near East," and includes Egypt in addition to the countries listed by the Department of Agriculture. (As the National Geographic Society views the world, the "Middle East" includes India, Pakistan, Afghanistan, Nepal, Bhutan, Sikkim, and Ceylon).

The U.S. Department of State uses the term "Near East" instead of "Middle East," but its country classification does not jibe with that of either the Department of Agriculture or the National Geographic Society. The State Department is realistic about its problem, however. It issued a bulletin a few years ago with the forthright title—"The Near East—An Indefinable Region."

The Foreign Market for LIVESTOCK and MEAT PRODUCTS

By DWIGHT R. BISHOP
Livestock and Meat Products Division
Foreign Agricultural Service

The value of U.S. exports of livestock and meat products in 1963 will be approximately $350 million, slightly more than the 1962 value, but about equal to the 1956-60 average and 32 percent above the 1951-55 average.

Tallow and greases continue to be the leading export commodities, accounting for about one-third of the value of all exports.

Hide and skin exports will amount to one-fourth of the total.

Shipments of meats will probably be around 20 percent of the export value.

Lard exports have declined sharply since the loss of the Cuban market and for 1963 will probably equal about one-eighth of the total livestock and meat product exports—about half the 1951-55 average value.

Variety meats and mohair account for most of the remaining exports.

Tallow and grease

Tallow and grease exports will probably reach an alltime high in 1963, exceeding the previous record of 1.8 billion pounds in 1961. The United States has for a long time been the major tallow and grease exporter, and in recent years has accounted for almost three-fourths of the total world trade. Australia, New Zealand, West Germany, and Canada supply all but a fraction of the remainder.

About 85 percent of the exports in the tallow and grease category consist of inedible tallow; most of the remainder are hog grease. Domestic utilization of tallow has not kept pace with increased production, so that about 45 percent of the total production is now being exported compared with 30 percent a decade ago.

Traditionally, most tallow sales abroad have been for dollars rather than under foreign aid programs. However, since 1961 increasing amounts have been exported under Public Law 480, and shipments are expected to reach a peak of 300 million pounds in 1963, equivalent to about 15 percent of total exports. The United Arab Republic, Turkey, Pakistan, and Yugoslavia have received most of the P.L. 480 shipments.

Although significant quantities of U.S. tallow and grease are being exported to a long list of countries, the European Economic Community and Japan are expected to continue as the major markets for U.S. tallow. Collectively, they received 50 percent of U.S. shipments in 1963. The United Arab Republic, Spain, and Poland are also expected to continue sizable purchases.

In 1961, the Soviet Union imported about 200 million pounds of U.S. tallow but its takings dropped sharply to 66 million pounds in 1962. Shipments during 1963 will probably be below the previous year, but a shortage of vegetable oils in the USSR may result in increased imports of tallow during 1964. Total U.S. tallow exports in 1964 are expected to be about 5 percent larger than 1963 if the Soviet Union makes substantial purchases.

Hides and skins

Cattle hide and calf skin exports for 1963 are expected to about equal those of 1962 when they totaled 9.2 million pieces, and were higher than in any previous year except 1961 when 10.2 million pieces were exported.

In recent years the United States has exported about 25 percent of its domestic bovine hide and skin production. Japan is the leading market for U.S. hides and in 1963 will probably take over 40 percent of total shipments. The EEC countries—principally the Netherlands and West Germany—and Canada receive most of the remainder.

Lard and variety meats

Lard exports are expected to show some recovery in 1963 from the low levels of 1961 and 1962, and the quantity may exceed the 1951-55 average, but because of much lower market prices the value will be only half of that average. The United Kingdom has been the only sizable market for U.S. lard in 1963 and will take over 80 percent of total lard exports. Most of the remainder is going to the Netherlands, Canada, and West Germany. Significant quantities are being delivered to Eastern European countries during the last quarter of the year where demand is up because of adverse weather and a decline in hog numbers.

Variety meat exports, which have been on a steady increase, are expected to set a new record of approximately 150 million pounds in 1963 compared to the previous high of 125 million pounds in 1962 and a 1951-55 average of only 31 million pounds. The EEC is the most important market for U.S. variety meats and will take about two-thirds of total shipments. The United Kingdom will import nearly all the rest.

Mohair, meat

Exports of mohair are expected to amount to about 13.5 million pounds, showing an increase of 1 million pounds over the previous year but equal to the 1960 and 1961 shipments. The United Kingdom is the major mohair market and is expected to take more than half the total exports in 1963. The Netherlands, Belgium, and Italy will be the other important markets.

This is the second in a series of articles on the trade situation and outlook for the leading U.S. agricultural commodities that move in international trade.

Records Set by Australia's Agriculture In 1963: Next Year Is Promising Too

William R. Rodman, U.S. Agricultural Attaché, Australia, has summarized that country's agricultural and economic situation in the following dispatch:

Australia's farm production in 1962-63 reached a total gross value of $3.9 billion compared to $2.8 billion the previous year. In volume it was sufficient to meet both domestic and export requirements, with no burdensome carryover stocks in major commodities.

Crops. During the year the country's agriculture established some new records, although not all crops hit a peak.

The wheat harvest produced a record volume but the exportable surplus has been entirely sold. Coarse grain crops declined slightly, mainly because of a switch out of barley into wheat in several major areas.

Livestock numbers, except for pigs, continued the upward trend of recent years. The number of sheep and lambs at March 31 was a record 158.6 million head; however, the year's wool clip declined from the record set in 1961-62 because of adverse seasonal conditions. Beef cattle numbers also established a record, and beef and veal production was just short of the high 1958-59 level. Dairy cattle numbers and wholemilk production were also new records, resulting in the largest output of butter and cheese to date. The number of pigs, however, declined by 12.9 percent.

Although canned fruits were at record levels, the output of dried vine fruits was the lowest in recent years.

Prices. Australia's farm exports gained from higher prices for some of its major commodities. Wheat prices continued to strengthen, with Communist China again the leading buyer. Wool prices also improved; and Japan continued as the principal purchaser. Meat exports increased considerably, the bulk of the shipments going to the United States. Tobacco prices soared as manufacturers competed at auctions to fill official stock requirements of domestic leaf.

1963-64 Outlook. The season is off to a favorable start, with excellent growing and feed conditions.

The area grown to wheat is down slightly this year as sowing operations were hampered by heavy rains. The wool clip now starting is expected to be a record. Under the new support program and with the opening of new irrigated areas, cotton production will probably double this year. Tobacco will show a small gain. Raw sugar output will not be as large as previously expected because of damage to some of the cane areas. No decline in meat output is foreseen.

Few if any marketing problems are expected for Australia's major commodities, with the possible exception of canned fruits for which lower prices are now being realized. A sale of 58 million to 64 million bushels of both old- and new-crop wheat to Russia and Eastern Europe practically assures that there will again be only minimum carryout stocks for the 1963-64 crop. The United Kingdom is expected to absorb most of the butter output, but it may be more difficult to dispose of cheese stocks. Both tobacco and cotton imports will probably decline in proportion to the gain in local production.

General Economic Situation. Economic recovery was general throughout fiscal 1963. The GNP increased by 8 percent in current prices over the recession year 1961; and by the end of August 1963 registered unemployment had declined to 1.5 percent.

Imports expanded more rapidly than exports, but the merchandise balance nevertheless continued in Australia's favor. Higher export prices for agricultural products moved the terms of trade to Australia's advantage, so that foreign exchange reserves reached record levels.

Continued economic expansion is forecast for fiscal 1964. Particularly favorable is the outlook for agricultural exports, the major sources of foreign exchange earnings. Unemployment will increase temporarily as this year's school graduates enter the labor market; however, growing job vacancies promise a quick absorption of these new workers. Wage costs are expected to increase after a 2-year period of wage and price stability. And while some resurgence of inflationary pressures is likely, a high level of liquidity marked the opening of the new fiscal year.

Market for Livestock

(Continued from page 9)

U.S. exports of meat in 1963 will probably total around 150 million pounds, an increase of more than 50 percent over 1962 when shipments were only slightly less than in the previous 3 years. Most of the increase is from larger sales of pork to Canada where production has been down because of drought conditions. About 80 percent of the total meat exports in 1963 will be pork, the rest largely beef. Canada is expected to take about three-fifths of U.S. meat exports in 1963, with Mexico and the Caribbean area accounting for most of the remaining trade.

Japanese Raise Support Price for Soybean Crop

Japan's 1963 soybean crop will be supported at 3,310 yen per 60 kilograms ($4.17 per bu.), compared with the support price of 3,200 yen ($4.03) in recent years. This increased price is designed to boost production in Japan, where acreage in soybeans has declined every year since 1954. It will also provide farmers a higher income to offset losses in other crops harvested earlier this year.

The Japanese farmer may sell his soybeans either to the National Marketing Federation of Agricultural Cooperatives (ZENKOREN) or on the local market. If the sale price to ZENKOREN (minus freight, storage, interest, and other charges) is below the support price, he is paid the difference between the two prices.

Promotion Results in Third Biggest Year For Sales of U.S. Registered Holsteins

Now in its sixth year, the market development program of the Holstein-Friesian Association has paid big dividends. This year's exports of U.S. Registered Holsteins were the third highest on record—30 percent larger than in 1962. Including nonregistered or grade sales, exports totaled about 9,000 Holsteins — 580 short of the all-time high.

Since 1958, U.S. dairy specialists—sponsored by the Holstein Association and FAS—have gone on nearly 70 market development trips to help foreign cattle breeders evaluate their breeding programs. Informed breeders produce better cattle, show bigger profits, and therefore can soon become better able to import the best quality of U.S. Holsteins available. Holstein promotion has also sponsored visits to overseas cattle buyers to the United States. During the past year, foreign missions came from 25 countries.

Because requests for technical assistance are too numerous to be filled, market development planners send dairy specialists to judge cattle only at national or international livestock shows. The specialist also spends about 2 weeks in the country inspecting Holsteins. He particularly observes the condition of U.S. Holsteins. Outstanding cows are often photographed to be used for publicity purposes in other countries.

On a recent market development trip to Chile, for example, the specialist attended the National Holstein Exhibition, then went on to "classify" or rate the quality of herds maintained by 10 Holstein breeders. In the Chilean classification project — begun just 14 months ago—more than 1,000 head of Holsteins have already been inspected by U.S. specialists.

While in a country, the U.S. specialist looks for new customers, determines their needs, and passes this information on to the U.S. Holstein Association. The prospective customer is urged to buy Registered Holsteins instead of grade. Though Registered Holsteins cost more, increased milk output in the first year alone more than offsets the cost difference. Calves of Registered Holsteins bring higher prices too. Because the United States is an exporter which runs official milk production tests for its cattle, the buyer is sure to get what he pays for.

The Holstein market development program was instrumental in Mexico's decision to place an embargo on all imports of nonregistered Holsteins in 1963. Since Mexico accounts for about 70 percent of total U.S. Holstein exports, U.S. sales of Registered Holsteins may hit a new peak in 1964, assuming Mexico continues to take the volume it has in the past.

The biggest problem facing overseas market development for Holsteins is finding ways to cut down on the time it takes exporters to supply interested buyers with price quotations and other specifics. Normally there is a 2-week delay before this information reaches the buyer. Canada—No. 1 livestock competitor of the United States—provides price quotations on the spot through export representatives in a number of foreign countries. Two weeks after the inquiry, Canadian Holsteins can be in transit.

The outlook for U.S. Holstein sales—backed up by sound market development—is better than ever. Europe presents a new opportunity for promoting the dual-purpose cow (milk and beef). Based on the favorable reception given U.S. Holsteins at the recent International Symposium in Beefing Characteristics of Dairy Breeds in Italy, a large potential market is in the offing.

Peak Dairy Cattle Exports

Latest sales totals indicate U.S. dairy breeding cattle exports in 1963 (all breeds) may reach $5 million for the first time, compared with only $2.8 million in 1958 when market development entered the picture. Exports for the first 9 months of this year were up $1.4 million from the same period in 1962.

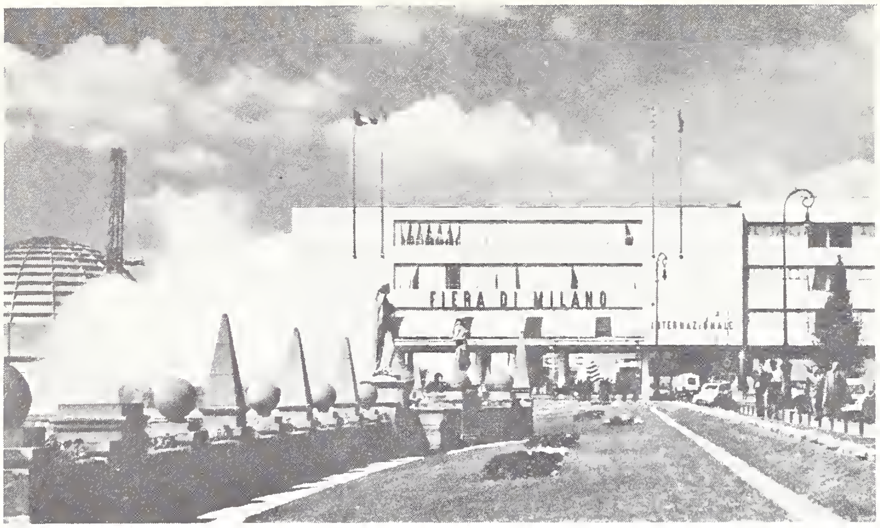
Shooting for another big year in 1964, market development will put stronger emphasis on growing Far Eastern markets for U.S. cattle.

U.S. Eyes Moroccan Holstein Market

U.S. dairy cattle breeders are being asked to cooperate in a proposed market development program to promote exports of U.S. dairy breeding cattle to Morocco, which has announced its intention to purchase 50,000 head of cattle over the next 7 years.

The U.S. program would be geared to helping the Moroccan Government run milk production tests on cattle from various countries under the same management conditions. It is expected test results would demonstrate that U.S. Holsteins — despite higher initial price largely because of shipping costs—yield higher long-run profits because of above-average milk output.

Earlier, Morocco announced that lower priced bids from the Netherlands and France would get most of the business, though interest was expressed in U.S. Holsteins. An unsuccessful West German bid has just been followed by an outright gift to Morocco of 300 German dairy cattle, as a contribution to farmers who suffered loss from floods this year.



Main entrance, Milan Fair Grounds

U.S. Agriculture's Third Trade Center To Open at Milan, Italy, in January

U.S. agriculture will have its third permanent showplace overseas in late January with the opening of a new trade center in Milan, Italy.

Like U.S. trade centers in London and Tokyo, the U.S. Department of Agriculture will share quarters with the U.S. Department of Commerce. In Milan, the hub of Italy's financial, commercial, and transportation activities, the U.S. exporter will be able to meet and sell to potential buyers, agents, and distributors not only from Italy, but from countries in the Mediterranean area, the Near East, and North Africa.

The Milan Trade Center—now under construction in the Agricultural Pavillion at the Milan Fair Grounds —will be the only permanent, year-round exhibit area at the Fair Grounds other than those of Italy.

Located 10 minutes from downtown Milan on Via Gattamalata, the trade center is within easy reach by both bus and subway. Of the total 16,000 square feet of air-conditioned space, 6,500 square feet on the first floor will be devoted to display area. There will be a trade lounge, council and meeting rooms, and a commercial library. Offices of staff members are to be located on the mezzanine.

The staff, which has not yet been announced, will work under the general supervision of the U.S. Agricultural Attaché in Rome.

Agriculture's first show at the trade center is scheduled for April 12-27 and will be held concurrently with Milan's famous International Samples Fair. Founded in 1920 and held every year since then except during the war, the Samples Fair is the biggest in Europe. Last April, it attracted some 4.3 million visitors and trades people from 84 countries. There were 3,651 foreign, or non-Italian, exhibitors among the 14,066 total.

Italy is consistently a major importer of U.S. agricultural products and in 1962 ranked seventh among world importers of U.S. commodities. During 1962, the United States exported $176 million of agricultural products to Italy, principally feed grains, cotton, oilseeds, animal fats and oils, tobacco, wheat, and flour.

Seven U.S. commodity organizations are now carrying on market development work, jointly with FAS, in Italy—and may be expected to utilize fully the many services offered by the trade center. These are: Cotton Council International, Institute of American Poultry Industries, Soybean Council of America, California Prune Advisory Board, U.S. Feed Grains Council, Great Plains Wheat, and National Renderers Association.

Visit of Ecuador Official Results in U.S Sheep Sale

The 2,200 U.S. Rambouillet sheep landed a few days ago at Guayaquil harbor in Ecuador provide yet another demonstration of the value of bringing key people from overseas for inspection of U.S. commodities.

When Ecuador embarked on a wool development program last year, a request to import U.S. Rambouillets was denied because of the supposed prevalence of Blue Tongue disease in the United States. Because of this, Dr. César Zambrano, General Director of Livestock and Animal Husbandry, Ecuador, was invited to visit the United States this past summer to see for himself how small an impact the disease has on the U.S. sheep industry.

Dr. Zambrano spent 2 months in the United States studying sheep production management, including disease control, sanitation, and marketing. After his return, the Ecuadorian Government contracted to import 4,400 U.S. Rambouillets; 2,200 were shipped from Portland in October, and the remainder have just arrived. The bulk of the shipments were lambs or yearling ewes, whose age allows them to adapt better to a new climate and feeding practices.

Ecuador's wool program calls for the import of 20,000 sheep over a 3-year period. Some 2,500 Australian Corriedales were imported last summer, which with the U.S. exports, leaves approximately 12,000 sheep still to be imported.

Barter Saves Dollars

Making an important saving to the U.S. balance of payments, the Department of Agriculture in 1962-63 exchanged a record $23.6 million worth of CCC agricultural commodities for overseas materials needed by U.S. government agencies. This compares with $5.2 million in fiscal 1962.

Under the revised U.S. Barter Program, administered by FAS, the President has directed government agencies to substitute commodities for dollar expenditures where possible.

IASS Reports Higher Sugar Production

The International Association for Sugar Statistics (IASS) reports that 1963-64 sugar production for its members, estimated at 8,137,000 short tons, is nearly 1.1 million tons above that for 1962-63. This increase is about 100,000 tons more than the one indicated in the latest figures published by the U.S. Department of Agriculture on IASS members—Austria, Belgium, Denmark, Finland, France, the Netherlands, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and West Germany.

The estimate is in line with recent reports that West Germany, France, and several other West European countries have had favorable sugar outturns.

Norway Opens to Pear Imports

Norway has announced that its borders will open to pear imports on January 2, 1964.

West Germany Sets Import Tenders

West Germany has announced import tenders on canned pears and figs, canned wax beans (cuts), and canned asparagus (cuts and tips).

The tender for canned pears and figs authorizes imports in consumer-type containers of less than 5 kilograms from a number of countries, including the United States. Applications for import licenses may be submitted until the exhaustion of the undisclosed value limit but not later than March 26, 1964. Licenses will be valid until March 31, 1964. The first day of customs clearance is January 1, 1964.

The tender on canned wax beans authorizes imports of this product from the United States and Canada. Applications for import licenses may be submitted until the exhaustion of the undisclosed value limit but not later than June 30, 1964. Licenses will be valid until June 30, 1964. The first day of customs clearance is January 1.

Canned asparagus—cuts and tips—is tendered from the United States, Australia, Japan, and Peru. All other provisions are the same as those for canned wax beans.

Spain To Upgrade Olive Exports

This year, for the first time, the Spanish (Seville) olive industry did not prepare any coarse or "Manzanilla basta" olives. Producers are trying to improve the quality of olive exports and have requested that the Minister of Commerce prohibit the exportation of the coarse or "other exportable varieties" (other than Queens and Manzanillas).

Dry weather this year resulted in smaller sizes for Queens and Manzanillas in the 1963-64 table olive pack; however, there were more exportable olives than in 1962-63. Much of the Manzanilla crop was left on the trees, owing to poor size; production of this crop amounted to only 12,100 short tons compared to 26,700 for Queens. This was a complete reversal from last year's crop, which consisted of 5,400 short tons of Queens and 27,200 of Manzanillas.

Olive exports in 1964 will probably be maintained at or above 1963 levels for both "exportable" and "nonexportable" varieties. The industry expects to export about 37,500 short tons of "exportable quality" and 5,000 short tons of "nonexportable" types of olives in 1964.

Export prices and quantities shipped may be controlled this year by the "Central de Ventas," a newly formed export cooperative. Some in the Spanish trade, however, feel that the floor price set by the cooperative will be too low to affect exports this season. The price for Queens is expected to decline substantially, owing to the large crop, while that for Manzanillas should be firm. Prices on the 1963-64 crop are not yet available.

Many processors are complaining of a cost-price squeeze because of rising labor costs. This seems to indicate that the newly formed cooperative may become increasingly involved in market control of exports in the future.

SPAIN: TABLE OLIVE SUPPLY AND DISTRIBUTION, PRELIMINARY 1962-63 AND ESTIMATED 1963-64

Year and type	Supply		
	Beginning stocks	Production	Total supply
1962-63:	*Short tons*	*Short tons*	*Short tons*
Exportable quality [1]			
Manzanillas	3,900	27,200	31,100
Queens	700	5,400	6,100
Others	3,400	2,400	5,800
Total	8,000	35,000	43,000
Nonexportable	—	6,300	6,300
Total olives	8,000	41,300	49,300
1963-64 estimate:			
Exportable quality:			
Manzanillas	500	12,100	12,600
Queens	—	26,700	26,700
Others	—	—	—
Total	500	38,800	39,300
Nonexportable	—	16,500	16,500
Total olives	500	55,300	55,800
	Distribution		
	Exports	Domestic disappearance	Ending stocks
1962-63:	*Short tons*	*Short tons*	*Short tons*
Exportable quality: [1]			
Manzanillas	26,700	3,900	500
Queens	6,100	—	—
Others	4,400	1,400	—
Total	37,200	5,300	500
Nonexportable	4,100	2,200	—
Total olives	41,300	7,500	500
1963-64 estimate:			
Exportable quality:			
Manzanillas	12,100	500	—
Queens	25,400	200	1,100
Others	—	—	—
Total	37,500	700	1,100
Nonexportable	5,000	11,500	—
Total olives	42,500	12,200	1,100

[1] Exportable olives are those of the Queens and Manzanillas varieties which meet high enough standards of quality and purity for acceptance by the United States and Canada for import.

Australian Meat Shipments to the U.S.

Five ships left Australia during the first and second weeks of November with 15,572,480 pounds of beef, 1,554,560 pounds of mutton, 159,040 pounds of lamb, and 8,960 pounds of variety meats for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Western ports:			*Pounds*
Parrakoola	Los Angeles	Nov. 19	Beef	1,989,120
Nov. 1			Mutton	33,600
	San Francisco	26	Beef	1,583,680
			Mutton	40,320
	Tacoma	Dec. 3	Beef	474,880
	Seattle	4	Beef	197,120
Mariposa	San Francisco	Nov. 24	Beef	78,400
Nov. 7	Los Angeles	29	Beef	125,440
	Eastern and Gulf ports:			
Cap Ortegal	Charleston	30	Beef	392,000
Nov. 4			Mutton	33,600
	Boston	Dec. 4	Beef	504,000
			Mutton	67,200
	Norfolk	8	Beef	125,440
	Philadelphia	10	Beef	560,000
			Mutton	127,680
	New York	12	Beef	3,243,520
			Mutton	123,200
			Var. meats	4,480
Port Wellington	Tampa	Nov. 30	Beef	463,680
Nov. 5			Mutton	228,480
	Charleston	Dec. 2	Beef	172,480
			Mutton	163,520
	Norfolk	5	Beef	212,800
	Philadelphia	7	Beef	1,041,600
			Mutton	78,400
			Lamb	132,160
	New York	11	Beef	3,519,040
			Mutton	358,400
			Var. meats	4,480
	Boston	17	Beef	347,200
			Mutton	165,760
Pioneer Reef	Boston	16	Beef	69,440
Nov. 10	New York	18	Beef	371,840
			Lamb	26,880
	Baltimore	22	Beef	100,800
			Mutton	134,400

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market areas, but meat may be diverted to other areas for sale.

U.S. Meat Imports Continue Large

U.S. imports of red meat in January-September 1963 totaled 1,066 million pounds (product weight) up 17 percent from the same period last year. Imports of boneless beef, the major meat import, continued to be significantly—19 percent—above 1962 levels. Canned beef and canned pork imports were also well above those for 1962, by 39 percent and 6 percent, respectively. Arrivals of lamb carcasses and cuts increased sharply and were 89 percent above those for the first 9 months of 1962.

Imports of dutiable apparel wool were down 4 percent in January-September 1963. Entries of duty-free carpet wool, however, continued large; at 131 million pounds, they were 29 percent above those in the 1962 period.

Imports of hides and skins continued to show mixed trends. Imports of calf, kip and goat and kid skins increased during January-September 1963, while those of cattle, buffalo, horse, pig, and sheep and lamb hides and skins decreased.

Imports of cattle were down sharply in September 1963 from September 1962, and the total number entering during January-September 1963 was down 8 percent.

LIVESTOCK PRODUCTS: U.S. IMPORTS OF SELECTED ITEMS, SEPT. 1963, WITH COMPARISONS

(Product weight basis)

Commodity	September 1962	September 1963	Jan.-Sept. 1962	Jan.-Sept. 1963
Red meats:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Beef and veal:				
Fresh and frozen bone-in	1,852	2,220	13,172	14,475
Fresh and frozen boneless	91,584	103,913	596,095	708,526
Canned, including corned	8,234	9,523	60,792	84,587
Pickled and cured	22	54	377	506
Veal, fresh and frozen	1,864	—	13,415	12,100
Other meats[1]	1,484	2,529	19,994	20,498
Total beef and veal	105,040	118,239	703,845	840,692
Pork:				
Hams and shoulders, canned	9,605	10,406	97,798	104,084
Other pork[2]	4,806	4,349	53,666	52,480
Total pork	14,411	14,755	151,464	156,564
Mutton	3,304	2,648	47,340	53,463
Lamb	402	1,230	7,914	14,926
Total red meat	123,157	136,872	910,563	1,065,645
Variety meats[3]	263	[3] 1,143	1,596	[3] 2,789
Wool (clean basis)				
Dutiable	7,668	5,075	90,426	86,996
Duty-free	12,735	10,395	102,326	131,596
Total wool	20,403	15,470	192,752	218,592
Hides and skins:	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	26	22	346	299
Calf	97	74	535	653
Buffalo	45	61	623	470
Kip	71	78	527	775
Sheep and lamb	2,070	1,923	22,345	22,920
Goat and kid	1,375	1,211	10,523	11,374
Horse	43	26	381	346
Pig	80	81	1,127	712
Live cattle (number)[4]	48,914	24,186	643,479	591,158

[1] Other meat, canned, prepared, or preserved (includes sausage in airtight containers beginning Sept. 1963). [2] Fresh or frozen, hams, shoulders, bacon, not cooked, sausage, prepared and preserved. [3] Includes edible meats and sausage (except pork and beef beginning Sept. 1963). [4] Includes cattle for breeding.
U.S. Department of Commerce.

Ireland To Export More Pork to Norway

Irish officials are in Norway for final negotiations for the sale of Irish pork. Pork, a traditional part of the Norwegian Christmas dinner, is much in demand in December; therefore, prospects for further consignments are good.

For the first time since World War II, Norway imported Irish bacon and pork this autumn. Orders came after a ban on imports of bacon and pork from Denmark, the traditional supplier, where an outbreak of foot-and-mouth disease occurred. Under existing contracts, more than 1,000 tons of Irish bacon and pork were imported into Norway by the end of November.

U.K. Importing More U.S. Lard

The United States shipped 339 million pounds of lard to the United Kingdom during January-September 1963 compared with 257 million for the same period in 1962.

Shipments from the United States amounted to 86 percent of total U.K. imports compared with 77.5 percent a year earlier.

West Germany was the only other country showing a marked increase in exports—from 4.5 million pounds in 1962 to 7.6 million in 1963. Sweden increased exports slightly.

U.K. imports from almost all other major suppliers were smaller in January-September than in the first 9 months of 1962. There was a marked decrease in Polish shipments, which fell from 14 million pounds in 1962 to 3 million in 1963.

LARD: U.K. IMPORTS BY COUNTRY OF ORIGIN, JANUARY-SEPTEMBER 1962 AND 1963

Country of origin	Jan.-Sept. 1962 Quantity	Jan.-Sept. 1962 Percent of total	Jan.-Sept. 1963 Quantity	Jan.-Sept. 1963 Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	256,650	77.5	338,622	85.9
France	18,075	5.5	16,566	4.2
Denmark	13,793	4.2	11,440	2.9
Belgium	14,646	4.4	8,957	2.3
Germany, West	4,527	1.4	7,655	1.9
Sweden	3,376	1.0	3,674	.9
Netherlands	5,436	1.6	3,479	.9
Poland	14,001	4.2	3,360	.9
Others	784	.2	614	.1
Total	331,288	100.0	394,367	100.0

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El Salvador's Cottonseed Production Up

El Salvador's production of cottonseed, the principal source of vegetable oil in that country, has increased significantly in recent years, in line with the rapidly expanding production of cotton. Commercial seed production in 1963-64 is estimated unofficially at 156,000 short tons compared with 133,000 in 1962-63, 112,000 in 1961-62, and 82,000 in 1960-61.

Virtually all of the seed is crushed for oil, most of which is consumed domestically. Only 3,000 to 5,000 tons of oil are exported annually. However, exports of cottonseed cake and meal increased to 35,855 tons in 1962 compared with 25,342 in 1961 and 18,583 in 1960. From 60 to 70 percent of the total exports of cottonseed cake and meal in recent years has gone to Denmark.

Drought Limits Brazil's Castorbean Crop

Brazil's 1963 castorbean crop has been affected by this year's unusually severe drought in the major producing states of Bahia and Sao Paulo as well as in Paraná, where a sizable volume of castorbeans is grown. On the basis of trade information, production may approximate 225,000 short tons or somewhat less than earlier expectations. However, at this volume, production would be considerably larger than the relatively small crops of 1961 and 1962, estimated by the trade at about 208,000 and 202,000 tons, respectively. Of this year's estimated total crop, Bahia is expected to produce about 30 percent, Sao Paulo 24 percent, Pernambuco and Ceará each 12 percent.

Brazil exported no castorbeans in 1962 and none in January-June 1963. Castor oil exports in 1962 totaled 67,000 tons and in January-June 1963 35,695. The United States and France were major destinations. Exports of castorbean meal in 1962 totaled 3,457 tons, of which all went to the United States; no meal was exported in the first 6 months of 1963.

Congo's Exports of Palm Products

Exports of palm oil from the Republic of the Congo during January-September 1963 totaled 114,160 short tons, 8 percent below the 123,926 for the same period of 1962.

Exports of palm kernel oil during the first 9 months amounted to 27,189 tons compared with 33,095, and those of palm kernels totaled 2,672 tons against 14,331. Combined exports of palm kernels and palm kernel oil, on an oil-equivalent basis were down 29 percent, from 39,831 tons to 28,445.

Italy's Tobacco Imports in Fiscal 1963

Italy imported a total of 79.6 million pounds of unmanufactured tobacco in the fiscal year ended June 30, 1963—up 2 percent from fiscal 1962. The extremely large imports of the past 2 fiscal years were made to supplement the short crops of 1961 and 1962 and to permit record exports of previous-crop tobacco.

Major suppliers of tobacco to the Italian market in 1962-63 included the following countries, with recorded imports from each: United States, 17.7 million pounds; Brazil, 14.9 million; Greece, 10.3 million; Rhodesian Federation, 7.6 million; Turkey, 3.9 million; and Bulgaria, 3.1 million pounds. Average import prices per pound paid for various kinds of tobacco were as follows: U.S. flue-cured, 69 cents per pound; U.S. burley, 87 cents; and Rhodesian flue-cured, 44 cents. Oriental leaf from major suppliers was priced as follows: Greece, 72 cents; Turkey, 70 cents; and Bulgaria, 69 cents.

Algeria Expects Larger 1963 Tobacco Crop

Algeria's 1963 tobacco harvest is officially estimated at 19.8 million pounds from about 37,000 acres. Plantings this season reportedly consist mainly of new hybrid varieties resistant to blue mold.

The 1962 harvest is now officially estimated at 7.7 million pounds, whereas that in 1961, which was drastically reduced by blue mold, amounted to only 3.0 million. The 1960 harvest is estimated at 30.7 million pounds.

Dutch Cigarette Sales Continue To Rise

Cigarette sales in the Netherlands for the year ended June 30, 1963, totaled 15.7 billion pieces—up 6.8 percent from the 14.7 billion sold during 1961-62.

Sales of cigars totaled 1,393 million pieces, compared with 1,451 million in fiscal 1962 and 1,461 million in fiscal 1961. Combined sales of other products turned upward and amounted to 20.7 million pounds, compared with 20.4 million in the previous year.

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United States Imports More Cotton Linters

U.S. imports of cotton linters, mostly felting qualities, totaled 36,000 bales (500 pounds gross) during the first 2 months (August-September) of the 1963-64 season. This was 21 percent above the 17,000 bales shipped during the same months a year earlier. Exports in September amounted to 13,000 bales, compared with 22,000 in August and 5,000 in September 1962.

Principal sources of linters imports during August-September 1963, with comparable 1962 figures in parentheses, were Mexico, 14,000 bales (9,000), Brazil 8,000 (0), El Salvador 5,000 (2,000), USSR 4,000 (4,000), Guatemala 3,000 (2,000), Syria 1,000 (0), Turkey 1,000 (0).

Nicaragua Likely To Produce More Cotton

The 1963-64 (August-July) cotton crop in Nicaragua is presently estimated at about 365,000 bales (500 pounds gross), considerably larger than the 325,000 produced in 1962-63 and 59 percent above the average of 214,000 for the past 5 seasons. The area harvested will probably be about 250,000 acres, 12 percent above the 220,000 harvested in 1962-63.

Cotton exports during 1961-62 totaled 242,000 bales—the highest since 1958-59's 331,000; but exports during the 1962-63 season may have reached or exceeded 315,000 bales. The major markets in 1961-62 were Japan, West Germany, the United Kingdom, the Netherlands, and France.

Domestic consumption since 1959-60 has remained at about 7,000 bales each season. Cotton stocks on August 1, 1963, totaled around 15,000 bales, compared with the 1958-62 average of 9,000 bales.

Prices of Nicaraguan cotton have eased slightly during the last several months. On November 14, 1963, Nicaraguan SM 1-1/16 inch cotton was quoted at 28.27 U.S. cents per pound, c.i.f. Liverpool, and M 1-1/16 inch was quoted at 27.57 cents. Prices of the qualities of U.S. cotton with a Micronaire reading of 3.5 or better on the same date were 28.68 and 27.81 cents per pound, respectively.

India's 1962-63 Rice Crop Reduced

India's 1962-63 rice crop is estimated at 48,075,000 metric tons of rough rice, 4,188,000 below the crop for the preceding year, according to the All-India final estimate. The average in 1955-59 was 43,293,000 tons.

This sharp drop occurred despite a 1.5-percent gain in acreage. The 1962-63 rice acreage was estimated at 85,961,000 acres compared with 84,650,000 in 1961-62 and the 1955-59 average of 80,273,000.

An unprecedented 1,777,000-ton fall in the crop of Madya Pradesh occurred because of scarcity of rain in the monsoon period. Also, drought reduced crops in West Bengal, Assam, and Bihar.

In several states—especially Andhra Pradesh, Maharastra, and Uttar Pradesh—lack of rainfall in some places and flood damage in others accounted for the decline in producition. In Assam floods reduced the crop 9 percent.

INDIA: ROUGH RICE, ACREAGE AND PRODUCTION, 1961-62 AND 1962-63

State	Acreage		Production	
	1961-62	1962-63	1961-62	1962-63
	1,000 acres	*1,000 acres*	*1,000 m. t.*	*1,000 m. t.*
Andhra Pradesh	7,911	7,532	6,012.4	5,499.8
Assam	4,379	4,449	2,515.8	2,290.0
Bihar	12,580	12,843	6,613.5	6,427.4
Gujarat	1,412	1,303	776.6	567.6
Kerala	1,860	1,947	1,505.8	1,659.8
Madya Pradesh	10,363	10,341	5,249.7	3,472.3
Madras	6,271	6,340	5,867.5	5,797.3
Maharastra	3,113	3,179	2,103.9	1,702.6
Mysore	2,411	2,473	2,004.7	2,059.6
Orissa	10,069	10,970	5,588.3	5,481.5
Punjab	1,103	1,163	706.4	692.6
Uttar Pradesh	10,313	10,449	5,020.8	4,685.2
West Bengal	10,926	10,984	7,204.0	6,621.2
Others	1,939	1,988	1,093.6	1,118.3
Total	84,650	85,961	52,263.0	48,075.2

All-India Final Estimate of Rice, 1962-63, Oct. 15, 1963.